GENESCO

ANNUAL REPORT / 1965

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GENESCO'S SYMBOL

designed to show that Genesco is a progressive company that supplies more than 75 million persons annually with everything to wear

GCO is the symbol given to Genesco stock by the New York Stock Exchange

GENESCO INC.

111 7th AVENUE, N., NASHVILLE, TENNESSEE 37202
730 FIFTH AVENUE, NEW YORK, NEW YORK 10019

SUMMARY/Year Ended July 31, 1965

	1965	1964
Net sales	$705,210,046	$620,457,020
Net earnings after taxes	18,917,568	14,234,625
Working capital	200,203,490	191,635,528
Earnings per share	$3.71	$2.72
Number of shares	4,847,383	4,739,665

TO OUR STOCKHOLDERS

September 15, 1965

Our sales and profits once again have set new records. Through our Coordinated Management Planning Program we have been able to obtain considerably better results in our operating companies. Since these gains are greater than those of the apparel industry as a whole, we feel this can be ascribed to our management techniques.

W. Maxey Jarman, Chairman

Ben H. Willingham, President

Several of the companies acquired during the past few years are now fully coordinated into our organization and thus are able to participate more profitably in the generally good business conditions. Each of our seven operating groups had the largest year in sales volume they have ever had, while six of the seven had their best earnings record.

Our UNDER APPAREL GROUP had an excellent gain in both sales and earnings over the previous year. Earnings of this Group, though good, were not up to the previous record. We changed the organizational structure of the Group during the past year, in order to put more emphasis on marketing, and believe that this will expand the operation considerably in the next several years. While this had been costly, we expect it will more than pay for itself in the long run. The Under Apparel Group includes manufacturing of men's underwear, women's foundation garments, women's lingerie, pajamas for men and women, and related products. It continues to produce an excellent profit in relation to capital investment and we expect this ratio to increase further in the next several years. The Group is responsible for approximately 12% of our total volume. Formfit/Rogers, Flagg-Utica and Ainsbrooke make up the Under Apparel Group.

Our OUTER APPAREL GROUP accounts for approximately 15% of Company volume. Included in the Group are Grief and Phoenix, manufacturers of men's clothing; Wood of Texas, service and casual clothes for men; Majestic Specialties and Major Blouse, women's sportswear and blouses. During the year the Group started a new division in the rainwear field under the name Weathe-Rogue.

The GESCO GROUP (Footwear) continues to be the largest of the Groups in the manufacturing and wholesale business, accounting for approximately 24% of our total volume. Total corporate footwear amounts to about 40% of GENESCO's volume. The Footwear Group continues to increase its volume at a faster rate than the shoe industry as a whole. We attribute this to the better values we have been able to offer retailers and consumers, improved manufacturing techniques, and a continuing better understanding of customer wants and needs achieved through market research. Among the operating companies in this Group are BMC Shoe Company (Charm Step, Cover Girl, Valentine, shoes for women; Cedar Crest, Douglas, Fortune, shoes for men and boys; and other well-known names); Sovereign Shoe Company (Mademoiselle shoes for women, Johnston & Murphy for men); Mannequin Shoe Company and Jarman Shoe Company.

Our UNIVERSAL GROUP produces chemicals and adhesives, as well as raw materials and component parts, including packaging materials we use in various parts of our manufacturing operations. This Group also sells some products to other companies. While it is small in relation to other Groups, it has been a fine profit producer and constitutes approximately 7% of our overall Company volume. Other products include leather, knitted textile fabrics, and knitted industrial fabrics.

Two of our seven operating Groups specialize in retailing, and together account for approximately 36% of our total volume. The UNIFIED RETAILING GROUP is primarily engaged in chain store operations. In the Group are Berland, Allen, Holiday and Wise, women's shoe stores; Flagg Bros. and John Hardy, men's shoe stores; Bell Brothers family shoe stores; and the two GENESCO variety chains, Kress and Elmore. Our STANDARD RETAILING GROUP consists of stores carrying high quality and standard brand merchandise. Among the well-known stores in the Standard Retailing Group are Bonwit Teller, Bendel, Gidding-Jenny—all fine women's specialty stores; Frank Bros.-Fenn-Feinstein, Roger Kent, Whitehouse & Hardy and Mallernee's in the men's wear field; and I. Miller in the fine women's shoe area.

The TRANSNATIONAL GROUP supervises our foreign operations. These are increasing in importance in the overall Company picture. The Group represents approximately 6% of our total volume. During the past year we have invested additionally in Canada and Europe in the men's clothing and footwear industries. These are coming along well. We have commitments for additional investments in future years, depending upon the earnings of the companies. However, in view of requests by the United States government for voluntary restriction of investments in this general area we do not plan to initiate any new projects at this time. Those under way are expected to develop rapidly because of previously planned programs.

Reflecting the improved results of the various group operations, our return on the capital investment of the Company of 13% showed considerable improvement over last year, as well as over the past several years. However, we are not satisfied that this is as good as it should be. We expect our percentage of profit on sales to improve gradually, thus resulting in an increasing yield on net worth in the years ahead.

In view of our greater earnings per share we raised the dividend rate during the middle of the past fiscal year; on an annual basis it was increased from $1.60 to $1.80 per share. Each quarter, as we review our operating earnings, we consider the prospects for the current year and review the previous two years to see if we should authorize an additional increase in dividends. Feeling that most of our stockholders like to have steady dividends, we do not increase them unless we feel reasonably sure that we can maintain the higher rate. As earnings go up, we again expect to raise dividends.

Capital expenditures amounting to $22,400,000 in the past year included a number of new projects. We are completing an administration building for various divisions of the Company at GENESCO PARK in Nashville. We are building shoe manufacturing plants in Preston (Ontario) and Smithville (Tennessee). The new rainwear manufacturing plant is in Newport News (Virginia). At Ridgefield (New Jersey) we have moved into a large processing terminal for women's sportswear. We have completed additions on several factories and have a number of others being remodeled at the present time. We have constructed warehouses and processing terminals for some of our retail and manufacturing operations. We have invested more than $5 million in our Kress retail stores to modernize them. In the almost two years since Kress became a subsidiary we have modernized 178 stores and opened 10 new ones. We have changed a number of stores to a self-service basis, installed new fixtures, and extensively renovated others. We are continuing to open new Kress stores; approximately 12 to 15 will be opened each fiscal year. A prototype of the new Kress Variety Fair opened during the year. Our various other retail store operations also have required additional investments for new stores and renovations.

The new GENESCO administration building in Nashville is near completion. It will house 1200 employees now in five separate buildings in that city. Executive headquarters will remain at the present location.

Capital expenditures have been financed to some extent from retained earnings, to a considerable extent out of depreciation charges, and to a further extent on lease arrangements. For example, the buildings at GENESCO PARK in Nashville and in various other areas have been on a municipal leasing arrangement which provides for low costs.

During the year we made two acquisitions: J. A. Johnston Company and its subsidiaries (Transnational Group) and Majestic Specialties Co. Inc. and its subsidiaries (Outer Apparel Group). Johnston, manufacturers, retailers and wholesalers of men's, women's and children's shoes, operates three manufacturing plants in Ontario and has approximately 100 retail stores and leased departments throughout Canada. Majestic is one of the best-known manufacturers of women's sportswear. Headquarters are in New York and manufacturing plants are in Pennsylvania and New Jersey. Acquired at the same time was the Major Blouse Company, outstanding in its field.

One of the most important new developments in the apparel industry is the production of durable pressed garments. These are genuine "wash and wear," don't wrinkle regardless of how they are washed or worn, and never need ironing. The process involves a resin treatment of the fabric, as well as special treatment after the garment is

cut or manufactured, either in what is known as a "hot head" press or in a large oven which, in effect, bakes the finish into the garment. The process is extremely important in men's work clothes and shirts, women's blouses, and with various other products and will be increasingly important. We have installed special ovens and are producing durable pressed garments in several plants. There are still certain minor manufacturing problems involved but these are being worked out. In the meantime the public is eagerly accepting the apparel for the marvelous benefits they gain from them.

We are spending approximately two million dollars a year in research, the largest amount by any company in the apparel field, as an investment for future profits. In product research we have made large strides in both the general apparel and footwear fields. Our new Smithville (Tennessee) plant utilizes unusual concepts in shoe manufacturing, primarily based on new ways of assembling leather parts. At Daisy (Tennessee) a continuous dyeing range is the focal point of a planned fully integrated knitting plant. The range is the first to be able to dye materials of large widths on a continuous basis.

Our research has made advances in the grading of patterns. Body dimensions and measurements are placed on tapes, allowing computers to grade patterns quickly and accurately. Eventually, it is believed, such steps as trial fits and trial cuts will be eliminated. Our Wood-of-Texas plant has a computer-controlled sewing machine, believed to be the first of its kind, which utilizes punched eight-channel tapes in which tabs control the movement of fabrics. GENESCO's general study of body and foot measurements is continuing.

In the field of merchandising research we have made studies of merchandise classification, fashion trend identification and assortment planning. These studies have not been completed, but already we are finding important applications of this research which will make it possible for us to give better service with smaller inventories. Obviously, these are great advantages.

Our Company spends approximately twelve million dollars a year in advertising and we have been increasing our efforts in that field. Since the greater part of the advertising money is spent either at retail or on a divisional basis, many people are not aware of the connection of GENESCO with various products or stores advertised. While some of the advertisements carry a GENESCO identification we do not feel that it is practical in many cases to identify the Company. We consider advertising to be a very important factor in the development of our fashion apparel business and we will continue to develop our national brands and retail operations through strong promotional campaigns. Currently we are conducting a corporate advertising campaign in The New York Times and The New Yorker magazine. For the past three years we had corporate campaigns in The Wall Street Journal and Business Week magazine. We hope to get more people acquainted with our Company and its standing in the apparel industry.

The trend towards larger companies continues in the apparel field, resulting both from internal growth and mergers of various companies. There has been a parallel development of professional management in these larger apparel companies. At GENESCO we feel that our management development program, in the vanguard for the industry, has been most important in our improved operations, and we will continue our efforts in this direction. We are recruiting young men and women for management training every year and have a number of special programs throughout the corporation. Depending upon the season, our Company employs from 43,000 to 49,000 persons. This large group represents a particularly important area for potential management personnel. The variation in the number of employees depends to a considerable extent on the temporary employees working during the holiday seasons in our retail operations.

The earnings of our employees are increasing every year and we expect to show further increases in both the hourly and annual rates. A large number of our employees are stockholders and we help finance their purchase of GENESCO stock. Our retirement funds now have a total of more than thirty million dollars, on a trusteed basis.

Our Coordinated Management Planning Program (CoManPlan) provides for centralized control of financial matters, general policy and growth development of the various operating companies and, at the same time, their decentralized management and operation. A description of the plan appears on page sixteen.

We believe that conditions in general business and in the apparel industry are such that the coming year offers splendid opportunities for further gains in both volume and earnings. The forecasts, through the seasonal plans, of each of our operating companies indicate important progress ahead. We foresee in the next five years approximately a 55% increase in volume and a still larger percentage increase in earnings.

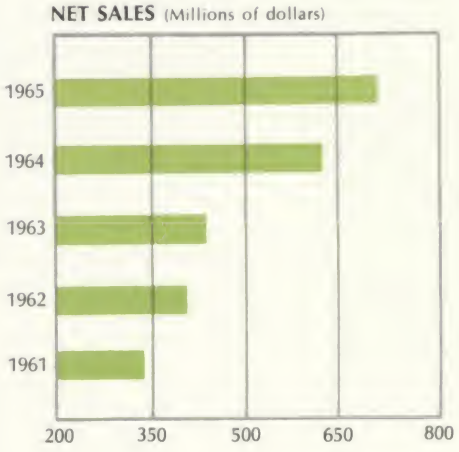
In general, we feel that inventories within the industry, as well as our own, are on a sound basis, that values are greater than ever before, and that the growing population along with the increasing per capita disposable income will result in substantial progress. Prices on some of our products have been increased modestly, but average prices are still attractive to consumers. We have been able to improve productivity and maintain low costs even as we have increased wage rates and had other increased expenses.

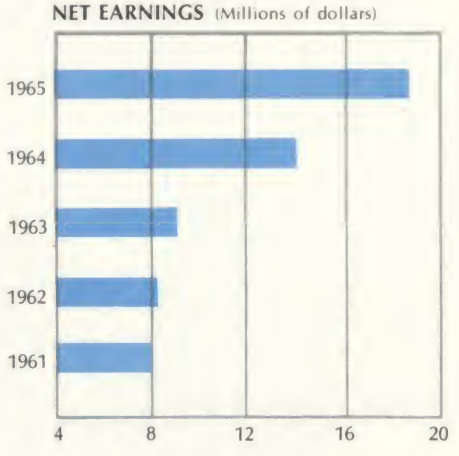
We have established a solid base in most of the important areas of the apparel industry. We have developed a staff of professional management people as well as an operating plan that is on a proven basis. Forecasts made by the operating groups for the next six months indicate a gain in earnings in excess of 20%. We expect great progress in the years ahead.

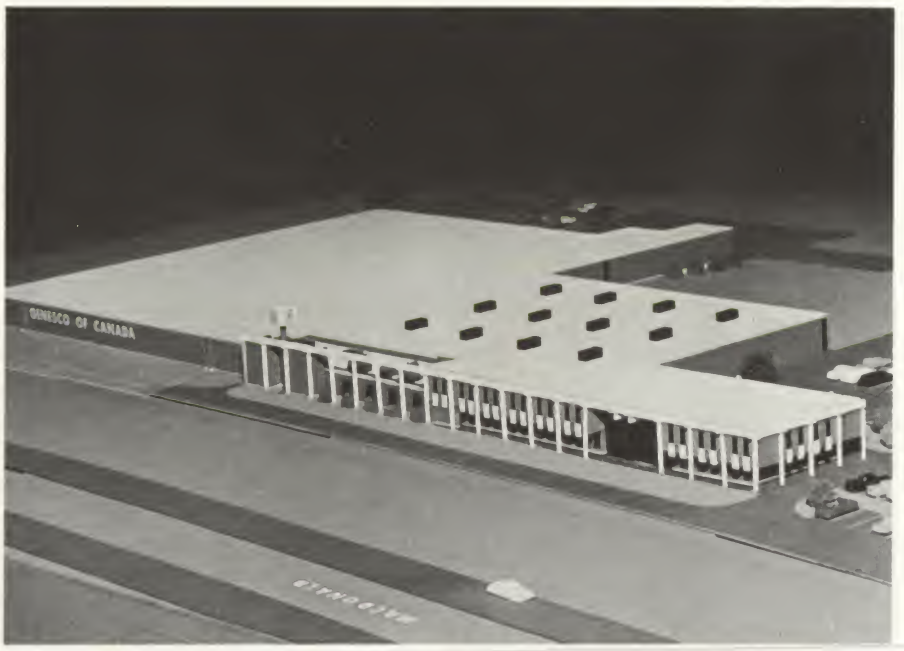
W. Maxey Jarman, Chairman

Ben H. Willingham, President

Many GENESCO manufacturing divisions advertise nationally in magazines; retail stores, of course, in local newspapers and occasionally in magazines. Both Carlisle Shoe Company's Mademoiselle, fine women's shoes, and the products of The House of Fragrance, distributed by GENESCO's Vaness Products, Inc., advertise in *Vogue, Harper's Bazaar and New Yorker.* Johnston & Murphy shoes for men advertise in *New Yorker* and *U. S. News and World Report,* while Formfit/Rogers foundation garments advertisements appear in both *Vogue* and *Harper's Bazaar,* as well as a number of other fashion and women's magazines.



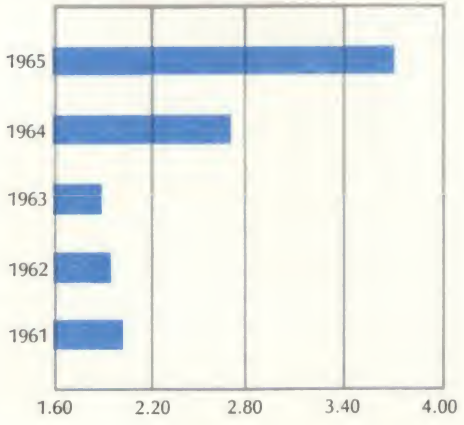




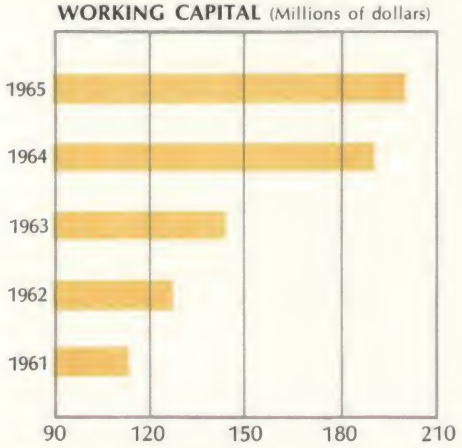
Under construction in Preston, Ontario, is a headquarters complex for GENESCO of Canada. Included will be a 20-thousand square foot administration and sales headquarters, a 30-thousand square foot factory, and a 70-thousand square foot distribution terminal. Construction will be completed in early 1966.

A new Hardy men's shoe store in downtown Nashville.

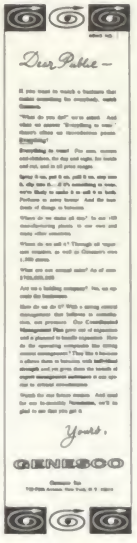
EARNINGS per common share



WORKING CAPITAL (Millions of dollars)



GENESCO believes that outstanding manpower is essential to the progress and success of the Company. To put this belief into practice we are always looking for young men and women, without regard to race, color, creed or national origin. Bonwit Teller, New York, billing department.



Two new corporate advertising campaigns appear regularly in *The New York Times* and *New Yorker* magazine. On page 5 are some of the outstanding divisional advertisements.

At Daisy (Tennessee) a continuous dyeing range is the focal point of a planned fully integrated knitting plant. The range is the first to be able to dye materials of large widths on a continuous basis.

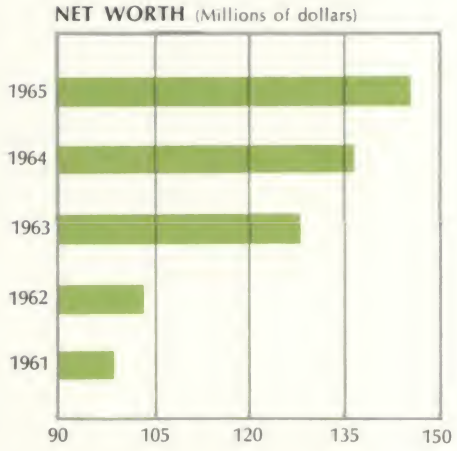
At Bonwit Teller, hip riding bell bottom pants are extremely popular. GENESCO's Majestic Specialties is a leading manufacturer.

Newly designed sleepwear is featured by the Formfit/Rogers division.

Bonwit Teller's Fifth Avenue store has a new look. The addition of treillage and palms, as well as soft colors, has created an elegant atmosphere for shopping on the main floor of the New York store.

The newly opened Beauty Floor at Henri Bendel, New York. The Salon is a unique beauty concept. The floor also has health, beauty and makeup services available.

The first Kress Variety Fair, a new concept in variety store merchandising, was opened in mid-May in Winston-Salem, North Carolina. Four other Variety Fairs are being opened in the near future. The diagonal aisles, a new layout concept, afford quick access for the customer looking for a specific item, and provide a spacious effect for the shopper.



25-YEAR RECORD OF GROWTH

	Total Volume of Business	Net Sales less Inter-Branch Business	Depreciation and Amortization	Earnings Before Taxes and Minority Share of Earnings	Income Taxes	Net Earnings	Number Stock-holders	Outstanding Shares Common Stock***
1965	$760,321,326	$705,210,046	$5,972,704	$32,652,846	$13,310,000	$18,917,568	29,000	4,847,383
1964	666,557,666	620,457,020	5,767,774	25,511,160	10,972,000	14,234,625	27,900	4,739,665
1963	479,385,000	435,147,364	5,886,808	16,505,445	7,319,000	9,129,001	24,000	4,298,066
1962	446,101,162	401,864,854	5,268,204	15,466,311	7,173,000	8,171,116	18,100	3,933,460
1961*	374,636,540	333,496,394	4,991,835	13,855,336	5,752,000	8,000,714	16,378	3,766,736
1960**	345,506,546	305,137,014	4,276,932	13,289,114	6,703,000	6,342,184	16,286	3,708,433
1959	318,994,324	276,422,417	4,341,495	17,157,487	8,223,000	8,688,077	11,476	3,019,286
1958	252,513,050	218,118,015	3,937,764	9,817,852	4,628,000	5,007,715	9,610	2,471,867
1957	260,491,846	223,266,996	3,608,252	11,255,066	5,345,000	5,542,450	9,056	2,469,954
1956	230,647,014	195,159,136	2,984,454	10,717,200	5,138,000	5,451,875	8,192	2,469,954
1955	201,300,993	167,863,881	2,764,615	10,038,135	4,776,000	5,262,135	5,760	2,148,658
1954	177,460,810	150,074,016	2,715,266	9,112,052	4,332,000	4,780,052	5,774	2,148,464
1953	137,337,975	111,179,210	1,703,984	8,050,829	4,485,000	3,565,829	5,561	1,629,932
1952	129,184,661	104,285,545	1,630,415	6,597,503	3,257,000	3,340,503	5,798	1,533,060
1951	128,284,627	103,238,890	1,470,105	6,524,939	2,954,000	3,570,939	5,837	1,498,526
1950	105,314,604	84,441,016	1,253,112	6,273,715	2,377,000	3,896,715	5,693	1,467,580
1949	96,066,589	77,694,162	1,016,788	3,937,379	1,521,000	2,416,379	4,380	1,410,818
1948	99,580,268	78,682,562	1,146,767	4,184,451	1,544,689	2,639,762	4,201	1,410,264
1947	97,248,511	78,142,458	883,900	4,504,292	1,937,792	2,566,500	3,982	1,409,836
1946	75,367,861	61,133,798	547,675	4,962,495	2,207,123	2,755,372	3,696	1,408,642
1945	61,122,583	51,177,677	401,921	4,284,949	3,174,200	1,110,749	3,364	1,254,782
1944	53,474,786	44,716,808	348,333	4,010,061	3,002,650	1,007,411	3,254	1,254,782
1943	48,990,794	40,886,381	308,735	4,165,836	2,936,700	1,229,136	3,207	1,254,782
1942	39,949,226	33,738,749	561,695	3,171,773	2,148,400	1,023,373	2,857	1,254,346
1941	28,703,862	23,729,198	326,508	1,573,851	509,700	1,064,151	2,768	1,253,342

*Fiscal year changed to end July 31st.

**Fiscal year (1941 to 1960, inc.) ended October 31st.

***Reflects two-for-one split, March 9, 1956.

****Fiscal year, previous years' range was calendar year.

Earnings Per Common Share	Total Taxes Per Common Share	Dividends Per Common Share	Book Value Per Common Share	Year's Price Range, Per Common Share	Long-Term Debt	Working Capital	Net Worth	
$3.71	$5.96	$1.70	$25.25	$54 -$39¾	$69,274,000	$200,203,490	$146,402,690	**1965**
2.72	5.21	1.60	22.97	40⅞- 34	70,512,000	191,635,528	136,554,400	**1964**
1.90	3.82	1.60	21.92	38¼- 33⅝	47,779,959	145,222,480	127,766,842	**1963**
1.95	3.88	1.60	22.38	42⅜- 33⅝	54,572,000	127,930,284	103,492,285	**1962**
2.02	3.34	1.60	22.84	39⅜- 25¾****	40,789,000	113,888,645	98,617,656	**1961**
1.75	3.82	1.52½	22.20	40⅞- 30½	29,384,000	95,320,592	95,858,951	**1960**
2.67	4.36	1.50	20.07	40⅞- 27	27,625,000	84,803,414	75,831,613	**1959**
1.76	3.50	1.50	19.01	27¼- 20¼	28,000,000	75,359,884	62,841,115	**1958**
1.97	3.76	1.50	18.66	27¼- 21¼	28,000,000	72,989,053	62,740,519	**1957**
2.13	3.35	1.43¾	18.23	33¼- 24½	24,300,000	66,863,972	61,806,667	**1956**
2.31	3.39	1.25	16.71	31⅞- 24⅞	20,000,000	51,849,003	43,097,524	**1955**
2.11	3.11	1.25	15.64	25¾- 20½	12,100,000	43,300,509	41,049,121	**1954**
2.15	3.68	1.25	15.30	25½- 20⅜	9,800,000	30,895,640	29,125,853	**1953**
2.06	2.98	1.25	14.56	20 - 18¼	10,000,000	29,301,515	27,140,887	**1952**
2.25	2.81	1.25	13.56	19⅝- 17	10,000,000	29,109,450	25,243,208	**1951**
2.52	2.30	1.25	12.40	19⅞- 15⅛	7,472,048	25,232,873	23,233,487	**1950**
1.57	1.64	1.25	10.64	15⅛- 12	7,472,048	22,718,934	20,155,651	**1949**
1.73	1.68	1.25	10.31	15¾- 12½	7,472,048	22,733,292	19,749,974	**1948**
1.67	1.95	1.25	9.81	18½- 13	—	16,002,686	19,225,654	**1947**
1.88	2.05	.80	9.37	23½- 14½	—	16,413,681	18,692,768	**1946**
.86	3.01	.50	7.08	15½- 9½	5,000,000	12,877,819	9,382,976	**1945**
.77	2.83	.50	6.73	9⅞- 7⅜	2,200,000	9,496,769	8,939,322	**1944**
.95	2.76	.50	6.48	7⅝- 5	2,350,000	9,681,569	8,618,858	**1943**
.79	2.07	.50	6.03	5 - 4⅛	2,500,000	9,405,049	8,054,660	**1942**
.82	.68	.45	5.75	5¾- 4⅛	—	6,499,224	7,693,942	**1941**

GENESCO INC. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

July 31, 1965 with comparative figures for 1964

ASSETS	1965	1964
Current Assets:		
Cash	$ 35,397,020	$ 36,792,361
Receivables, less allowance for doubtful accounts and discounts	60,912,419	62,430,557
Inventories, at lower of approximate average cost or market	136,883,006	133,279,131
Prepaid expenses	1,689,957	1,570,937
Total Current Assets	234,882,402	234,072,986
Officers' and employees' stock purchase accounts, secured	318,012	548,150
Nonconsolidated and 50% owned companies (note 1)	5,608,226	5,638,256
Other investments, at cost	1,856,787	1,695,103
Plant, equipment, and leasehold improvements, at cost less accumulated depreciation and amortization $63,773,230	44,819,247	46,980,101
Patents and trademarks	1	1
Debt discount and other deferred charges, less amortization	3,107,635	2,664,968
	$290,592,310	$291,599,565

LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses, including current installments on long-term debt	$ 33,248,912	$ 33,792,458
Federal, State and Canadian taxes on income, estimated, less in 1965 U. S. government securities held for payment of taxes $4,963,347	1,430,000	8,645,000
Total Current Liabilities	34,678,912	42,437,458
Deferred Federal Taxes on income (note 2)	4,386,000	4,283,000
Long-term debt (note 3)	69,274,000	70,512,000
Minority interests	7,617,821	7,678,896
Deferred credits to income (note 4)	28,232,887	30,133,811
Stockholders' Equity (notes 5 and 6):		
$4.50 cumulative convertible preferred stock of $100 stated value per share. Authorized 276,629 shares; outstanding 239,907 shares	23,990,700	27,662,900
Common stock of $1 par value per share. Authorized 10,000,000 shares; outstanding 4,847,383 shares.	4,847,383	4,739,665
Additional paid-in capital	51,130,445	47,317,617
Earnings retained in business	66,434,162	56,834,218
Total Stockholders' Equity	146,402,690	136,554,400
	$290,592,310	$291,599,565

See accompanying notes to consolidated financial statements.

CONSOLIDATED EARNINGS

	1965	1964
Net sales, including sales of leased departments	$705,210,046	$620,457,020
Cost of sales	483,715,798	430,760,559
Selling, administrative and general expenses	184,975,921	159,803,445
Interest expense, net ($3,587,755 on long-term debt)	4,990,132	5,094,326
Other (income), net (note 4)	(1,124,651)	(712,470)
	672,557,200	594,945,860
Earnings before income taxes	32,652,846	25,511,160
Federal, State and Canadian taxes on income, estimated (note 2)	13,310,000	10,972,000
	19,342,846	14,539,160
Less minority interests	425,278	304,535
Net Earnings For Year	$ 18,917,568	$ 14,234,625

CONSOLIDATED EARNINGS RETAINED IN BUSINESS

Balance at beginning of year:		
GENESCO Inc. and consolidated subsidiaries	$ 56,834,218	$ 48,406,403
Companies accounted for as a pooling of interests (note 1)	—	2,838,445
	56,834,218	51,244,848
Net earnings for year	18,917,568	14,234,625
	75,751,786	65,479,473
Deductions:		
Dividends:		
Preferred stock	1,176,143	1,335,818
Common stock—$1.70 per share in 1965; $1.60 in 1964	7,804,066	6,481,202
Pooled companies prior to pooling of interests	337,415	828,235
	9,317,624	8,645,255
Balance at end of year	$ 66,434,162	$ 56,834,218

CONSOLIDATED ADDITIONAL PAID-IN CAPITAL

Balance at beginning of year	$ 47,317,617	$ 45,474,173
Increase resulting from:		
Sales price or fair market in excess of par value of common shares issued	37,621	207,464
Stated value of preferred stock or principal amount of notes converted, in excess of the par value of common shares issued in exchange	3,775,207	—
Capital of pooled companies in excess of the par value of GENESCO Inc. stock issued in exchange	—	1,635,980
Balance at end of year	$ 51,130,445	$ 47,317,617

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS/July 31, 1965

1. PRINCIPLES OF ACCOUNTING:

All subsidiaries are consolidated except certain foreign subsidiaries and those engaged in unrelated operations, all of which plus the 50% owned companies are carried at equity value, based on unaudited statements, with the income during the year reflected in other income. These companies, heretofore carried at cost less a reserve, in the aggregate, are not considered significant nor has the change in the carrying basis had any material effect on financial position or results of operations.

During 1965, the company issued 379,952 shares of common stock for the net assets of Majestic Specialties, Inc. and Major Blouse Co., Inc. on a pooling of interests basis. Accordingly, the accounts of these companies are included in the consolidated financial statements for each of the years 1965 and 1964. In addition, the company acquired the outstanding capital stock of J. A. Johnston Company, Limited (a Canadian company) for cash.

The accounts of the foreign companies have been converted at the official rate of exchange.

2. DEPRECIATION AND RELATED DEFERRED TAXES:

For Federal income tax purposes, the company computes depreciation on certain assets by accelerated methods, whereas earnings have been charged with depreciation calculated on the straight-line method ($5,972,704 including amortization). To equalize the effect of these methods on net earnings, the 1965 provision for Federal income taxes has been charged with $504,234 and a like amount has been credited to deferred taxes on income. The provision for taxes is after deducting the investment credit for the current year of $477,066.

3. LONG-TERM DEBT:

The long-term debt, including amounts due currently, is as follows:

	Current	Noncurrent
5.25% notes dated February 1961, due 1981 with annual payments of $938,000	$ 938,000	$18,124,000
4.75% convertible subordinated notes dated July 1962, due 1982 with annual payments beginning 1973; convertible into common stock at not more than $38.50 per share (see note 5)	–	9,800,000
5.00% notes dated July 1964, due 1984 with annual payments of $2,000,000 beginning 1970	–	40,000,000
5.50% notes of J. M. Wood Manufacturing Company, Inc. dated November 1963, due 1978 with semi-annual payments of $50,000	100,000	1,350,000
	$ 1,038,000	$69,274,000

4. DEFERRED CREDITS TO INCOME:

The following amounts will be taken into income or used to absorb certain losses over a period of years:

Deferred income credits	$19,148,227
Unamortized net excess of equity in companies acquired over cost, not specifically allocated and reserve for lease commitments on closed stores	9,084,660
	$28,232,887

Deferred income credits represent profits after taxes including $1,243,649 in 1965, from sales of real properties and equipment which were leased back. The deferred amounts are being amortized over the lives of the respective leases. Amortization in the current year amounted to $878,805.

The unamortized net excess of equity over cost, not specifically allocated and reserve for lease commitments arose principally from the Kress acquisition in 1963. The excess of adjusted cost over net equity of non-consolidated subsidiaries and 50% owned companies at the beginning of the year, $1,247,310, mostly represented by goodwill is also reflected in this account (see note 1). Credits and charges to this account are being amortized over a ten year period which resulted in a net credit to other income of $931,925 for the year. Losses which may arise from the closing of Kress stores will be applied against the unamortized balance.

5. STOCKHOLDERS' EQUITY:

The various note agreements restrict stockholders' equity except as to approximately $52,000,000.

Common stock is reserved for issuance in connection with the following transactions:

	Number of shares
Contingent upon earnings of certain pooled companies expiring at various dates to 1969	124,925
Conversion of 4.75% convertible subordinated notes at not more than $38.50 per share	254,547
Conversion of $4.50 cumulative convertible preferred stock. Convertible at $40.00 per share and callable at $104.50 to January 31, 1968 with successive reductions to $101.50 after January 31, 1978	599,767
	979,239

In addition 944,339 shares are reserved under certain employee stock option plans (see note 6). During the year 45,647 shares previously reserved were issued to former stockholders of pooled companies under terms of the acquisition agreements.

6. STOCK OPTIONS:

Under the company's stock option plan, 125,000 shares of common stock have been reserved for issuance to certain employees at not less than 85% of market value at date of grant. Of the options granted under this plan (29,894 in 1960 at $28.05 per share, 52,223 in 1958 at $19.34 per share), 64,066 shares have been issued, of which 8,672 were issued in 1965 at prices averaging $22.76 per share.

Under the savings fund–employee stock purchase plans, as amended, the company has reserved 778,050 shares of its unissued common stock of which 328,050 shares are currently being offered to employees at 85% of the average market price. Of the shares reserved (1) 78,050 are issuable at 85% of the average market price per share on the last business day of August 1965, but at not more than $32.75 per share nor less than $25.00 per share; (2) 100,000 shares are issuable at 85% of the average market price per share on the last business day of August 1966, but at not more than $33.15 per share nor less than $25.00 per share; (3) 150,000 shares are issuable at 85% of the average market price per share on the last business day of August 1967 but not more than $44.84 per share nor less than $25.00 per share. During the year, 1,965 shares were issued under these plans at prices averaging $33.79 per share.

In addition the company has another plan whereby employees under certain conditions may purchase stock on the installment basis at the prevailing market price, and in this connection 300,000 shares have been reserved, of which 161,900 shares have been purchased under the plan.

7. PENSION PLANS:

The employees' retirement plans contemplate that the company and subsidiaries shall make contributions to trusts in order to pay annuities to most regular employees after retirement. All contributions to the company's retirement funds shall be made by the company as it, from time to time, shall determine but is under no obligation to make any contributions at any time.

The current costs of the company's pension plans, approximately $1,000,000, after deducting asset appreciation and increases in deferred property rights, all based on computations by independent actuaries, plus contributions to profit sharing and other employee contractual welfare plans amounted to approximately $3,000,000 and provision has been made in the accounts for this amount. Unfunded past service costs at July 31, 1965, inclusive of increment due to liberalization in plan benefits and additional participants from certain acquired companies, were estimated at $12,400,000.

8. COMMITMENTS AND CONTINGENT LIABILITIES:

(a) *Long-term Leases:*

Minimum Annual rentals, exclusive of specifically identified operating costs, under leases in effect at July 31, 1965 with expiration dates as indicated are summarized as follows:

1965–1970	$12,009,073
1971–1975	3,518,867
1976–1980	3,063,081
1981–1985	3,733,168
1986–1990	6,884,159
After 1991	262,808
	$29,471,156

Certain leasehold improvements have in the current and previous years been sold to and leased back from a charitable foundation. The net equity arising from these rentals is reflected in fixed assets. The aggregate rentals of such leases entered into during the current year were not considered material in relation to the consolidated net assets.

(b) *Merchandise in transit:*

At July 31, 1965 the company had in transit merchandise aggregating approximately $4,000,000 which is not reflected in the accompanying financial statements.

(c) *Legal Matters:*

Certain stockholders of S. H. Kress and Company, approximately 94% of the outstanding stock of which is owned by the company, have instituted actions against the company, Kress and certain directors of both companies. The complaints allege that S. H. Kress and Company was damaged as a result of the sale and lease-back of certain of its properties. It is the opinion of counsel and company officials that the actions will be successfully defended. In addition the company is the defendant or plaintiff in other actions which in the opinion of counsel and company officials will be successfully defended and would not effect materially the financial position of the company in the event of adverse decisions.

ACCOUNTANTS' REPORT

The Board of Directors and Stockholders
GENESCO Inc.:

We have examined the consolidated balance sheet of GENESCO Inc. and consolidated subsidiaries as of July 31, 1965 and the related statements of earnings, earnings retained in business, and additional paid-in capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated earnings, earnings retained in business, and additional paid-in capital present fairly the financial position of GENESCO Inc. and consolidated subsidiaries at July 31, 1965 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Nashville, Tennessee
Aug. 26, 1965

CORPORATE OFFICERS

Chairman
W. Maxey Jarman

President
Ben H. Willingham

Executive Vice President and Chairman, Executive Committee
William M. Blackie

Executive Vice President
M. S. Wigginton

Group Vice Presidents
Sam A. Buchanan
H. Nelson Carmichael
E. DeVaughn Woods
W. Gregory Quick
Frank J. Culhane

Financial Vice President
F. M. Jarman

Vice President and Secretary
James P. Saunders

Vice President—Manpower & Facilities
Candler W. Butler, Jr.

Vice President—Distribution
Charles W. Cook

Vice President—Distribution
Houghton D. Vaughn

Vice President—Retail Coordination
William H. Cope

Vice President
J. Stewart Bronaugh

Treasurer
R. Joseph Robinson

Auditor
Stuart Carlisle

Assistant Vice Presidents
James H. Cheek, Jr.
James G. DeLacey
George Q. Langstaff, Jr.
Maurice E. Miller

Assistant Treasurers
Ernest B. Holt, Jr.
T. Douglas Oxford

Assistant Secretaries
John A. Ball
Edward M. McGinley
William C. O'Connor
L. B. Shelton

BOARD OF GOVERNORS

William M. Blackie
Sam A. Buchanan
Candler W. Butler, Jr.
H. Nelson Carmichael
James H. Cheek, Jr.
Charles W. Cook
William H. Cope
Frank J. Culhane
Mildred Custin
Richard H. Eckhouse
M. E. Eisenberg
Jewett T. Flagg
Joel Glassman
Edward W. Graham, Jr.
David L. Greif, II
J. Owen Howell, Jr.
F. M. Jarman
W. Maxey Jarman
Louis P. Johnson
H. Stephan Klausner
Emery Klineman
Erwin L. Klineman
Sigmund W. Kunstadter
Alexander Lerner
Joe B. Long
C. Wilbon Marlin
Maurice E. Miller
Stanley W. Nussbaum
W. Gregory Quick
Bernard E. Reed
James P. Saunders
Houghton D. Vaughn
M. S. Wigginton
Ben H. Willingham
J. Carroll Wood
E. DeVaughn Woods

CORPORATE DIRECTORS

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H. Nelson Carmichael
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J. Owen Howell, Jr.
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W. Maxey Jarman
Sigmund W. Kunstadter
W. Gregory Quick
Bernard E. Reed
James P. Saunders
Houghton D. Vaughn
M. S. Wigginton
Ben H. Willingham
E. DeVaughn Woods

EXECUTIVE COMMITTEE

William M. Blackie
Sam A. Buchanan
Candler W. Butler, Jr.
H. Nelson Carmichael
J. Owen Howell, Jr.
F. M. Jarman
W. Maxey Jarman
W. Gregory Quick
M. S. Wigginton
Ben H. Willingham
E. DeVaughn Woods

FINANCE COMMITTEE

William M. Blackie
F. M. Jarman
W. Maxey Jarman
M. S. Wigginton
Ben H. Willingham
E. DeVaughn Woods

OPERATING COMMITTEE

William M. Blackie
Sam A. Buchanan
H. Nelson Carmichael
J. Owen Howell, Jr.
F. M. Jarman
W. Gregory Quick
James P. Saunders
M. S. Wigginton
Ben H. Willingham
E. DeVaughn Woods

BOARD OF TRUSTEES, GENESCO EMPLOYEES' RETIREMENT FUND

William H. Wemyss, Sr.
J. Harlan Lawson
Otis C. Williams
H. Nelson Carmichael
Ben H. Willingham

GENESCO'S CoManPlan

Our Coordinated Management Planning Program (CoManPlan) provides for the centralized control of financial matters, general policy and growth development of the various operating companies, but, at the same time, encourages decentralized management. A six-months-season Plan is the base of the system and a key to our increasingly successful operations. Each operating company prepares its plan of operations on a month-to-month basis, for the coming six-months season. This is completed approximately two months in advance of the new season.

The management system at GENESCO is based on a broad program of consultive season planning. The corporation is organized into seven *operating* or line groups and seven *central functional* or staff groups. The operating groups are further divided into 37 operating companies with a general manager or president in charge of each company.

Prior to each six-months period, all 37 operating companies prepare a seasonal Plan. This includes an analysis of their objectives and problems, as well as the procedures necessary to reach the objectives. Included are brief descriptions of their promotional schedules, product features, management personnel matters, and new or enlarged facilities. Also included is a detailed financial plan for the six months which includes a forecast of the volume of business predicted, profits, an expense itemization and the amount of capital to be used.

The seasonal Plan is not made until after there have been thorough discussions between the general manager of the operating company and the appropriate central staff executive covering the various functional areas. For example, the financial staff will review with the general manager the amount of capital to be used, inventory procedures, accounts receivable plans and terms. The marketing staff will review and discuss pertinent facts relating to that phase of the business. Similarly, other executives will discuss the areas with which they are concerned.

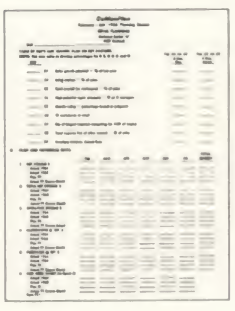
During the discussions the staff executives and the operating company general manager will explore all aspects until they reach agreement on the various factors related to the seasonal plans. When the Plan is submitted to the President of the corporation by the respective operating company manager, it represents the best thinking of the manager and the staff executives.

After the Plan has been submitted, and approved by the President, it becomes the guide for the operating companies. Each operating company manager then has full authority to implement and carry out his plan, making decisions and revisions as may be called for in the development of the program. The appropriate Group Vice President works with his operating company manager in the development and operation of the Plan.

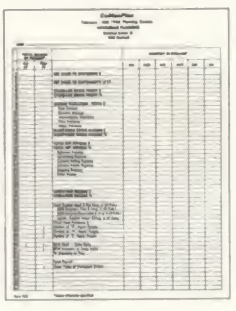
The result is a system of centralized policy guidance and financial control and decentralized execution of operations. This provides the benefits of personal direction and attention for each of the operating companies to handle the day-to-day matters and all affairs of the business as if it were an autonomous company.

Giving the operating company full authority to handle its own affairs within the boundaries of the submitted Plan, and adjusted to meet changing conditions, develops executives, makes for fast action and sound policy coordination.

In addition to the six-months-seasonal plans, the corporation also updates a general plan each year for a five-year period.

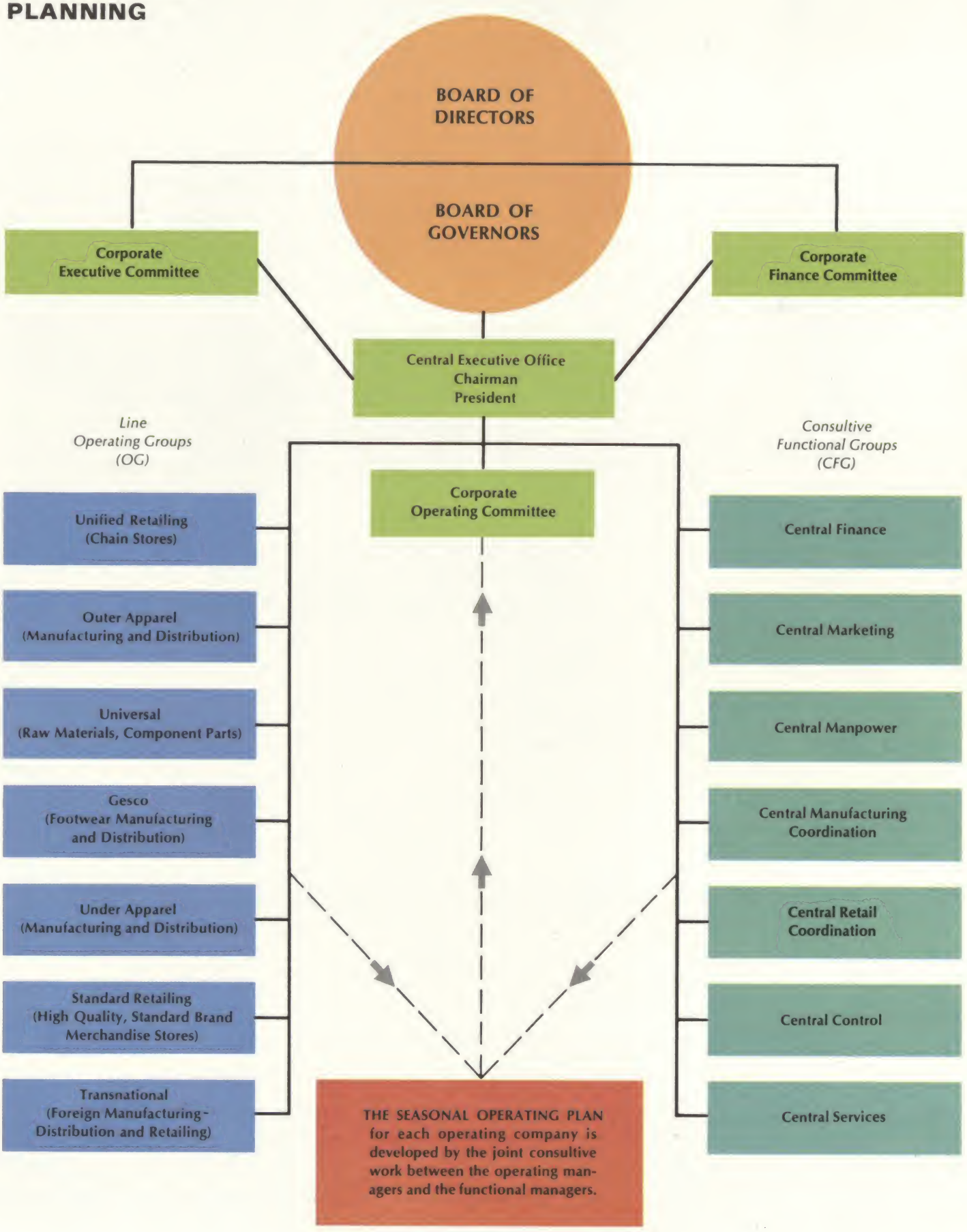


One of the CoManPlan seasonal forms. This for February to July 1966 planning season outlines in detail various projections.



Another February-July 1966 CoManPlan form has historical data for past years, as well as future plans.

COORDINATED MANAGEMENT PLANNING



E. DeVaughn Woods
27 years

Mildred Custin
7 years

Bertram E. Fishel
18 years

Geraldine Stutz
10 years

Richard C. Joseph
6 years

Bruce C. Allbright
16 years

Nicholas Parker
5 years

Edward Rayne
18 years

Helen Van Slyke
5 years

STANDARD RETAILING GROUP

E. DeVaughn Woods,
Group Executive

BONWIT TELLER COMPANY
Mildred Custin, *President*
Women's fine specialty apparel stores in New York, Chicago, Cleveland, Boston, Philadelphia, Palm Beach, Manhasset (L. I.), White Plains, (N. Y.), Short Hills (N. J.), Oak Brook (Ill.), Jenkintown and Wynnewood (Pa.).

GIDDING-JENNY, INC.
Bertram E. Fishel, *Chairman*
Outstanding specialty stores for women in Cincinnati and Dayton, Ohio.

HENRI BENDEL, INC.
Geraldine Stutz, *President*
Outstanding specialty store for women on New York's fashionable 57th Street.

I. MILLER & SONS, INC.
Richard C. Joseph, *President*
Women's top quality fashion shoe salons in New York and other major cities. Principal lines are I. Miller, Evins, Ingenue and Millerkins.
I. Miller shoes also are sold in outstanding stores throughout the country.

INTERSTATE SHOE CO.
Bruce C. Allbright, *President*
Family shoe stores and leased shoe departments from coast to coast:
Blue Ridge Shoe Company, Edward Brittain, *President;* Innes, shoe stores in the Los Angeles area; Sommer & Kaufmann, shoe stores in the San Francisco area.

R.A.M.—RETAIL APPAREL FOR MEN
Nicholas Parker, *President*
Four chains of men's clothing stores: Frank Bros.-Fenn-Feinstein, Roger Kent, Whitehouse & Hardy, Mallernee's, in New York and other cities.

RAYNE-DELMAN SHOE COMPANY (Affiliated)
Edward Rayne, *President*
Delman—top quality women's fashion shoes. Salons in New York and other cities; design studios in New York, London and Paris.

VANESS PRODUCTS, INC.
Helen Van Slyke, *President*
Distributors of perfumes and cosmetics.

Sam A. Buchanan
30 years

Maurice E. Miller
17 years

Emery E. Klineman
48 years

Erwin L. Klineman
37 years

David L. Greif, II
16 years

J. Carroll Wood
31 years

Abraham J. Baum
19 years

Alexander Lerner
20 years

OUTER APPAREL GROUP

Sam A. Buchanan,
Group Executive

Maurice E. Miller
Associate Group Executive

ASSOCIATED SPORTSWEAR

Emery E. Klineman, *Chairman*
Manufacturer and wholesale distributor of sportswear for women.

Majestic Specialties Company–Erwin L. Klineman, *President*
Kelita Sportswear Company–Edgar Schlossburg, *President*
Madeira Knits Ltd.–Marvin Kent, *President*
Ridgefield Manufacturing–Sol Grossman, *President*

BALTIMORE CLOTHES

David L. Greif, II, *President*

English-American Tailoring Co.–Mark J. Sloman, *President*
Specializing in individualized, made-to-order men's clothes.

L. Greif & Bro.
Distributor of men's clothes in the higher and medium price ranges.

Seaboard Manufacturing Company–Ted Decker, *President and General Manager*
Operates men's clothing manufacturing plants in Virginia, Maryland and Pennsylvania.

WeatheRogue Inc. –Victor Semos, *President*
Specializes in rainwear for men and boys.

J. M. WOOD MFG. CO. INC.

J. Carroll Wood, *President*
Manufacturer of work and casual clothes for men.

MAJOR BLOUSE COMPANY

Abraham J. Baum, *President*
National distributor of women's blouses.

PHOENIX, INC.

Alexander Lerner, *President*
Manufacturer and wholesale distributor of medium-priced men's clothes.

H. Nelson Carmichael
29 years

George Q. Langstaff, Jr.
17 years

Joel Glassman
9 years

John A. Ball
34 years

J. William Fite
17 years

James H. Check, Jr.
19 years

Bernard E. Reed
41 years

C. Wilbon Marlin
34 years

GESCO GROUP

H. Nelson Carmichael,
Group Executive

GESCO SALES COORDINATION
George Q. Langstaff, Jr., *Director*

PRODUCT DEVELOPMENT AND TREND DESIGN
Joel Glassman, *Director*

DISTRIBUTION STAFF
John A. Ball, *Vice President*

BMC SHOE COMPANY
J. William Fite, *President*

Bellwood Shoemakers—William C. Cook, *President*
Women's popular-priced shoes for the independent department store trade.

Cedar Crest Shoe Company—Harry G. Clark, *President*
Men's and boys' service, dress and special purpose shoes and boots.

Charm Step Shoe Company—Robert L. Richter, *President*
Wholesale distributor of popular-priced women's shoes for the independent trade.

Cover Girl Shoe Company—H. C. Christiansen, *President*
Low heel fashion shoes for young women of all ages.

Douglas Shoe Company—Howard Johnson, *President*
Men's and boys' dress and service shoes.

Fortune Shoe Company—Charles E. Horton, *President*
Fortune shoes for men and boys.

Hillwood Shoe Company—W. Thomas Bowers, *President*
Men's and boys' shoes in the popular price range.

Valentine Shoe Company—Sidney A. Smith, *President*
Nationally advertised women's fashion shoes.

GESCO MANUFACTURING
James H. Cheek, Jr., *President*

Eastern Shoe Manufacturing—J. DeWitt Smith, *Division Manager*
Plants in Pennsylvania and New England.

Pyramid Shoe Manufacturing Company—Bernard E. Reed, *President*
Plants in Southern states, manufacturing women's and children's shoes.

Triangle Shoe Manufacturing Company—C. Wilbon Marlin, *President*
Plants in Southern states, manufacturing men's and boys' shoes.

Edward W. Graham, Jr.
19 years

Philip G. Shank
3 years

Charles W. Cook
34 years

Duke J. Rose
15 years

William W. Earthman
17 years

Houghton D. Vaughn
35 years

JARMAN SHOE COMPANY

Edward W. Graham, Jr., *President*
Nationally advertised men's dress shoes.

Jarman Retail Company—Wesley R. Thompson, *Vice President*
Men's retail shoe stores and leased departments.

MANNEQUIN SHOE COMPANY

Philip G. Shank, *President*

Women's fashion shoes in medium price range, nationally advertised and sold to fine stores throughout the country.

REPUBLIC SHOE COMPANY

Charles W. Cook, *President*
Wholesale shoe distributor servicing private label volume accounts.

SOVEREIGN SHOE COMPANY

Duke J. Rose, *President*

Carlisle Shoe Company—Warren C. Kolkebeck, *President*
Distributors of outstanding women's shoes, including nationally advertised Mademoiselle, sold in fine specialty stores throughout the country.

Johnston & Murphy Shoe Company—Jack Settle, *Vice President*
Fine quality J & M and Frank Bros. shoes for men.

Murphy Retail Company—James A. McCann, *Vice President*
Operates stores and departments featuring J & M shoes.

YOUNG TIMER SHOE COMPANY

William W. Earthman, *President*
Children's and juvenile shoes of several types in various price ranges.

ZENITH SHOE COMPANY

Houghton D. Vaughn, *President*

Dominion Shoe Company—John W. Bracewell, *President*
Howard D. Baldridge, *Vice President*
Wholesale shoe distributor servicing private label volume accounts.

Kleven Shoe Company, Inc.—Houghton D. Vaughn, *President*
Women's private brand fashion shoes.

Sentry Shoe Company—William Lyle Hammond, *President*
Wholesale shoe distributor servicing private label volume accounts.

William M. Blackie
37 years

B. J. Butner
18 years

Stanley W. Nussbaum
33 years

Joe B. Long
27 years

J. Owen Howell, Jr.
18 years

Louis P. Johnson
32 years

William A. Willis, Jr.
30 years

UNIFIED (CHAIN) RETAILING GROUP

William M. Blackie,
Group Executive

BELL BROTHERS, INC.
B. J. Butner, *General Manager*
Popular-priced family shoe stores for men, women and children.

BERLAND SHOE COMPANY—ALLEN STORES
Stanley W. Nussbaum, *President*
Women's popular-priced retail shoe stores and departments.

JOHN HARDY SHOE STORES
Joe B. Long, *President*
Popular-priced, high-value men's retail shoe stores.

NATIONWIDE SHOE COMPANY
J. Owen Howell, Jr., *President*

Flagg Bros.
Edward C. Jones, *General Manager*
Shoe stores featuring footwear particularly designed for young men.

Holiday-Wise
Ray G. Manning, *General Manager*
Shoe stores selling medium-priced women's fashion shoes.

S. H. KRESS AND COMPANY
Louis P. Johnson, *President*
Variety store chain in the East, South, Southeast, Southwest and on the Pacific Coast.

V. J. ELMORE
William A. Willis, Jr., *President*
Variety store chain, primarily in the South.

UNIVERSAL GROUP

W. Gregory Quick,
Group Executive

W. Gregory Quick
16 years

Walter E. Steele
15 years

William A. Goody
38 years

G. Warren Gregory
26 years

CONLECO
Walter E. Steele, *President*
Leather tanning, shoe components manufacturing

Valmore Leather Co.
Erwin Booth, *General Manager*

Southern Sole Co.
J. V. Nipp, *General Manager*

Whitehall Leather Co.
Ernest Stein, *General Manager*

KINGSBORO MILLS
William A. Goody, *President*
Knitting, dyeing and finishing of synthetic fabrics, tricots and power knits.

MANSCO
G. Warren Gregory, *President*
Adhesives, polishes and containers

General Chemical and Adhesive Co.
Capitol Products
V. J. Johnson, Jr., *General Manager*

UNDER APPAREL GROUP

M. S. Wigginton,
Group Executive

M. S. Wigginton
22 years

Irving Flamberg
16 years

M. E. Eisenberg
23 years

W. S. Flanagan
16 years

Richard H. Eckhouse
36 years

J. Stewart Bronaugh
18 years

AINSBROOKE CORP.
Irving Flamberg, *Chairman*
Manufacturer of men's and boys' underwear, pajamas and dress shirts.

FLAGG-UTICA COMPANY
M. E. Eisenberg, *President*
Manufacturer of fabrics, yarns, underwear and outerwear.

W. S. Flanagan,
Executive Vice President in charge of marketing.

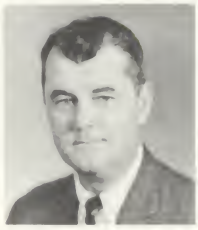
INTIMCO
Richard H. Eckhouse, *President*
Manufacturers and distributors of intimate apparel.

Formfit/Rogers
J. Stewart Bronaugh,
Executive Vice President
Sales of women's foundation garments and lingerie.

TRANSNATIONAL GROUP

E. DeVaughn Woods,
Group Executive

Frank J. Culhane,
Associate Group Executive



Frank J. Culhane
10 years

Dan Gregory
20 years

Keith R. Gillelan
44 years

Gwynne Johnston
46 years

H. Stephan Klausner
16 years

Sergio Comunello
6 years

Francis W. Parker
18 years

CANADA
Dan Gregory, *Canadian Area Coordinator*

Agnew-Surpass Shoe Stores, Ltd.
Keith R. Gillelan, *President*
Coast-to-coast chain of family shoe stores.

J. A. Johnston Company
Gwynne Johnston, *President*
Manufacturers and retailers of shoes for men and women.

RETAILING AND MANUFACTURING OPERATIONS IN OTHER AREAS.

EUROPE
H. Stephan Klausner, *European Area Coordinator*

Confezioni San Remo, s.p.a. (Affiliated)
Sergio Comunello, *Managing Director*
Manufacturers of men's and boys' ready-to-wear clothes.

MANUFACTURING OF FOUNDATION GARMENTS IN FRANCE AND SWEDEN.

LATIN AMERICA
Operations in Peru, Chile, Venezuela, Mexico, Guatemala and other nations.

LEXIM
Francis W. Parker, *President*
Licensing, export, import.

PACIFIC
Manufacturing and wholesale operations in Japan, Australia and other countries.

F. M. Jarman
8 years

James P. Saunders
34 years

R. Joseph Robinson
16 years

Stuart Carlisle
13 years

J. G. DeLacey
14 years

Edward M. McGinley
4 years

L. B. Shelton
9 years

W. C. O'Connor
9 years

Ernest B. Holt
18 years

Rodes Ennis
8 years

CENTRAL FUNCTIONAL GROUPS

William F. Long
15 years

Earl L. Britain
35 years

Sigmund Kunstadter
43 years

William H. Cope
2 years

Candler W. Butler, Jr.
25 years

George Collins
31 years

Jewett T. Flagg
37 years

Bill R. Wills
1 year

CENTRAL FINANCE AND CONTROL

F. M. Jarman,
Financial Vice President

James P. Saunders,
Vice President and Secretary

R. Joseph Robinson,
Treasurer

Stuart Carlisle,
Auditor

J. G. DeLacey,
Assistant Vice President

Edward M. McGinley,
Assistant Secretary

L. B. Shelton,
Assistant Secretary

W. C. O'Connor,
Assistant Secretary

Ernest B. Holt, Jr.,
Assistant Treasurer

Rodes Ennis,
Eastern Controller

William F. Long,
Insurance Manager

Earl L. Britain,
Director of Real Estate

CENTRAL MANPOWER, MANUFACTURING COORDINATION AND SERVICES

Candler W. Butler, Jr.,
Executive Director

George C. Collins,
Director of Manpower

Kirk H. Low,
Group Manager

C. A. Thompson, Jr.,
Director of Management Engineering

Roger A. Neidel,
Director of Research

S. R. Gorin,
Director of Technical Services

George E. Stone, Jr.,
Director of Building Services

E. E. Wager,
Director of Traffic

CENTRAL MARKETING

M. S. Wigginton,
Executive Director

Sigmund Kunstadter,
Associate Director

RETAIL COORDINATION

William H. Cope,
Vice President

ORGANIZATION DEVELOPMENT

Jewett T. Flagg,
Director of New Business

Bill R. Wills,
Director of Public Relations

CORPORATE OFFICES

111 Seventh Avenue, N.
Nashville, Tennessee 37202

Genesco Building
730 Fifth Avenue
New York, N. Y. 10019

TRANSFER AGENTS

Common stock and Preferred stock
Morgan Guaranty Trust Company
New York, N. Y.

First American National Bank
Nashville, Tennessee

REGISTRARS

Common stock and Preferred stock
Chemical Bank New York Trust Company
New York, N. Y.

Third National Bank in Nashville
Nashville, Tennessee

Annual meeting of stockholders
December 6, 1965